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January 22, 2014

Re: IPHCA Comments on 1115 Draft Waiver Application

To Whom It May Concern:

On behalf of the Illinois Primary Health Care Association (IPHCA), I am submitting comments regarding the Illinois Section 1115 Draft Waiver Application posted on January 8, 2014.

Established in 1982, IPHCA represents 46 Illinois Federally Qualified Health Centers (FQHCs) that operate more than 400 sites, serving more than 1.2 million patients each year, including over 600,000 Medicaid participants.

FQHCs have long been recognized as the community leader in providing affordable, preventive and comprehensive health care to the country's most vulnerable citizens. FQHCs provide highly efficient and cost-effective care, which reduces more costly services such as emergency room visits and avoidable hospital stays which in turn generates significant savings to the entire health care system. FQHCs also provide quality preventive care, including the screening, diagnosis and management of chronic illnesses such as diabetes, asthma, heart and lung disease, depression, cancer and HIV/AIDS.

While FQHCs receive an all-inclusive encounter-based reimbursement under the Medicaid program, Illinois Department of Healthcare and Family Services (HFS) CY 2011 data shows that the overall cost per Illinois Health Connect patient enrolled with an FQHC was slightly less than the cost per patient enrolled with a physician as their primary care provider (PCP). The higher cost of the primary care reimbursement rate was offset by savings in inpatient and pharmacy costs. This demonstrates that FQHCs have experience in care coordination that leads to reduced hospitalizations and unnecessary prescriptions.

DELIVERY SYSTEM TRANSFORMATION

Incentives for Patient-Centered Medical Homes (PCMH)

Under *“Pathway 1: Transform the Health Care Delivery System”*, much of the focus is placed on establishing “integrated delivery systems centered around Patient-Centered Health Homes.” Yet, there are no direct, specific incentives for providers to move toward the PCMH model of care. Rather, it appears that incentives will be developed, controlled and distributed by managed care entities. While that is appropriate on one level, given the importance of primary care and the PCMH model in positively transforming health care delivery, IPHCA suggests linking additional payments to those medical homes within an integrated delivery system, including FQHCs, which have been certified by a nationally recognized organization such as the National Committee for Quality Assurance (NCQA) or The Joint Commission (TJC). A primary care medical home that has demonstrated its commitment by becoming certified/recognized would be a worthwhile investment. Such an incentive should be available in addition to payments from managed care organizations or fee-for-service payments from the state. The waiver presents the state with an opportunity to incentivize the care coordination activities of those medical homes as proposed here.

WORKFORCE

Services Provided By Community Health Workers

IPHCA seeks clarification on the definition of Community Health Workers (CHWs). The waiver is unclear as to exactly what services CHWs will provide and how they will be reimbursed through Medicaid. As community health centers, FQHCs will likely employ CHWs so information on whether the services provided by those individuals will be billable is important in understanding the extent to which FQHCs will be able to utilize this new resource in order to meet the critical workforce shortage being faced statewide.

Health Care Workforce Loan Repayment and Teaching Health Centers

IPHCA applauds the state's commitment to fund a primary care loan repayment program. FQHCs serve over 600,000 Medicaid participants, oftentimes in underserved and rural areas, making it difficult to attract and retain quality health care providers. When funded, loan repayment programs have proven to be a significant and invaluable resource in attracting providers to FQHCs.

Continued funding through the Teaching Health Center (THC) program is as equally important. Thus far, the program has been successful in the training of primary care providers dedicated to practicing areas where they are needed the most. The program has been threatened by uncertain federal funds and the expiration of mandatory Affordable Care Act (ACA) funds in 2015. Illinois' proposal to maintain the program, with or without federal support, is another substantial effort in providing quality health care to the state's underserved populations.

Thank you for the opportunity to comment on the draft of Illinois' Medicaid 1115 Waiver Application.

IPHCA appreciates your work to improve our state's health care system and looks forward to working with you in the future. If you have any questions, please feel free to contact me.

Sincerely,

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